

CHARTER OF LIMITED LIABILITY COMPANY “_____”

1. GENERAL PROVISIONS

- 1.1. Limited Liability Company “_____” (hereinafter referred to as the Company) shall carry out its activity on the basis of the Civil Code of the Republic of Azerbaijan, other legal acts in force and this Charter.
- 1.2. Legal address of the Company: _____.

2. AUTHORIZED CAPITAL OF THE COMPANY

- 2.1. The authorized capital of the Company is __ (___ **manat**) manats and consists of __ (___) shares of ___ (___ **manat**) manat each. It is in monetary form.
- 2.2. Members of the Company and their shares in the authorized capital shall be determined as follows :
_____ **AZN** _____ **shares**
- 2.3 The authorized capital of a Company shall be paid by founders within three months after state registration of a Company. A share invested in the authorized capital of a Company may consist of money, securities, other property or property rights or other rights having monetary value. In case the Founder violates his/her obligation to make a contribution to the authorized capital, he/she is liable according to the rules adopted by the decision of the general meeting. Evaluation of property and other proprietary invested in the authorized capital is carried out in accordance with the Legislation of the Republic of Azerbaijan.
- 2.4.1 The composition of the capital stock to be pledged by the members of the company, as well as its modification, procedure and terms for the contribution of capital stock shall be determined by the general meeting.
- 2.3. Net profit after taxes and other obligatory payments is distributed among the members in proportion to their shares in the authorized capital and on the basis of the decision of the general meeting.
- 2.4. In case of acquisition of a share of a member (its part) by a limited liability company, the Company shall sell it within the terms and in accordance with the procedure established by the decision of the general meeting, or reduce the authorized capital in accordance with the legislation.

3. COMPANY ACTIVITIES

- 3.1. The Company may engage in all types of activities not prohibited by the Legislation of the Republic of Azerbaijan, including certain types of activities requiring a special permit, only after obtaining the relevant permit (license).

4. SUPREME GOVERNING BODY OF THE COMPANY

- 4.1. The supreme governing body of a Company is the General Meeting of its shareholders. In a Company with one shareholder the powers of the General Meeting of a Company shall be exercised by a shareholder independently.
- 4.2. Decisions on issues within the competence of the General Meeting shall be adopted by the members, formalized in writing, signed by them and sealed.

- 4.3. The General Meeting may be ordinary and extraordinary.
- 4.4. A regular General Meeting shall be convened by the Executive Body at least once a year. The General Meeting dedicated to the results of the Company's annual activities shall be convened no later than four months after the end of the reporting and financial year.
- 4.5. An Extraordinary General Meeting may be convened in any cases when the interests of the company require it. Extraordinary General meeting shall be convened on own initiative of Executive Body and also on demand of its shareholders having not less than one tenth of all votes. Extraordinary General Meeting of a Company in the process of liquidation shall be convened by the Liquidation Commission.
- 4.6. Each of the Founders shall be given a written notice of both ordinary and extraordinary General Meetings, specifying the agenda, date, time and address at which the General Meeting is to be held, and delivery of this notice shall be ensured.
- 4.7. The exclusive competence of the general meeting of founders of a company shall include:
 - 4.7.1 Change of the Charter of a Company and amount of its authorized capital;
 - 4.7.2 Establishment of executive bodies of a Company, appointment of members of Executive Body, determination of term of their powers and early termination of their powers;
 - 4.7.3 Transfer of powers of the Company's Executive Body to an External Manager;
 - 4.7.4 Approval of annual reports and financial statements of the Company, distribution of profits and losses;
 - 4.7.5 Election of the Company's Board of Directors (Supervisory Board) and (or) Audit Commission (Inspector) and early termination of their powers;
 - 4.7.6 Making a decision on the conclusion of an especially important transaction (a transaction amounting to more than fifty percent of the Company's Net Asset Value);
 - 4.7.7 Making a decision on reorganization or liquidation of a Company.
- 4.8. If the value of the transaction to be concluded with an interested party is 5 or more percent of the Legal Entity's assets, this transaction shall be concluded upon the opinion of an Independent Auditor engaged by the Legal Entity and a resolution of the General Meeting of members of the Legal Entity adopted by a simple majority of votes. A member who is an interested party in this agreement may not participate in voting related to the issue.
- 4.9. Each member has the right to participate in General Meeting of shareholders of a Company, to elect (appoint) bodies of a Company, to be elected (appointed) to them and to participate in voting (taking into account provisions of Legislation on appropriate person), to participate personally or through representative appointed by Law, has the right to be represented, to demand changes in agenda of General Meeting and to add new topics for discussion to the agenda. Any agreement or action that restricts these rights of the participants is null and void.
- 4.10. At the General Meeting of shareholders of a Company each shareholder shall have the right to vote in proportion to his/her share in his/her authorized capital. The General Meeting shall be competent if at the General Meeting of shareholders of a Company its shareholders having more than fifty percent of shares of a Company are present.
- 4.11. In absence of quorum at the General Meeting of shareholders of a Company the General Meeting shall be convened without change of agenda in a procedure provided by the Charter of a Company. A repeated General Meeting shall be competent if shareholders owning fifty percent of shares of a Company are attend there.
- 4.12. In case of absence of quorum at repeated meeting, the General Meeting should be reconvened by Executive Body of a Company in order provided by Charter of a Company without change of agenda of the General Meeting. The reconvened General Meeting shall be competent if there are members holding 25 percent of shares of a Company.
- 4.13. Members holding 100% of shares in the Company's authorized capital must be represented at the General Meeting to decide on the liquidation or reorganization of the Company.
- 4.14. Approval at the General Meeting of the Charter and additions and amendments to the Charter,

value of non-monetary contribution paid to the authorized capital, formation of management bodies, establishment of executive bodies of a company and early termination of their powers, including appointment and recall of members of Executive Body, as well as determination of term of their powers, decisions on reorganization or liquidation of a Company shall be made at the General Meeting by unanimous decision of all present shareholders, other issues shall be made by simple majority of votes.

5. BOARD OF DIRECTORS (SUPERVISORY BOARD)

- 5.1. The Board of Directors (Supervisory Board) shall be a body exercising control over activity of the Executive Body of a Company. Members of the Board of Directors (Supervisory Board) shall be physical persons appointed by the General Meeting in accordance with the Legislation of the Republic of Azerbaijan. Head (member) of the Executive Body of a Company cannot be a member of the Board of Directors (Supervisory Board) of an External Manager. The General Meeting from among members of the Board of Directors (Supervisory board) appoints Chairman of the Board of Directors (Supervisory board).
- 5.2. The Board of Directors (Supervisory Board) shall have the powers stated below:
 - 5.2.1 To determine the main directions of the Company's activities and its development Strategy, approve the Company's Business Plan;
 - 5.2.2 To exercise control over the activities of the Company's Executive Body, including receiving information from the Executive Body;
 - 5.2.3 To give recommendations to the General Meeting and the Executive Body;
 - 5.2.4. In case of establishing the fact of violation of the current Legislation by the Company, to notify the General Meeting and the Executive Body thereof;
 - 5.2.5 To adopt rules and regulations necessary to ensure the management of the Company;
 - 5.2.6 To make decisions on inspection of complex and separate spheres of the Company's activity.
- 5.3. A meeting of the Board of Directors (Supervisory Board) is legally competent if more than half of its members participate in it. The Chairman of the Board of Directors (Supervisory Board) convenes its meetings at least once in three months and presides at the meetings. At a meeting of the Board of Directors (Supervisory Board) of the Company each member has one vote, and decisions are made by a simple majority of votes of those present at the meeting. If the number of votes is equally divided, the vote of the Chairman of the Board is considered decisive. Minutes shall be drawn up in which the place, time, members, agenda of the meeting of the Board of Directors (Supervisory Board) of a Company, results of speeches, voting results and decisions are reflected. These minutes shall be signed by the Chairman and members of the Board.

6. COMPANY'S EXECUTIVE BODY

- 6.1. The management of the Company's day-to-day operations and conduct of its affairs is carried out by its collegial executive body - the Board of Directors.
- 6.2. The Board of Directors consists of 3 physical persons. Members of the Board are elected by the General Meeting from among the Company's members and/or outsiders. The members of the Board act on the basis of the employment contract concluded between them and the Company. The Chairman of the Board is appointed by the General Meeting from among the members. A meeting of the Board of Directors shall be considered competent if 2/3 of its members participate in it. Decisions of the Board shall be adopted by a simple majority of votes of those present at the meeting. All meetings of the Board shall be recorded, certified by the seal of the Company after the signature of all members of the Board. Members of the Company or their authorized representatives may familiarize themselves with the minutes of the meeting.

- 6.3. The competence of the Board of Directors shall include:
 - 6.3.1 Organization of current activity of the Company and implementation of its Operational Management;
 - 6.3.2 Ensuring timely and proper execution of decisions made by the General Meeting of the Company;
 - 6.3.3 Approval of job descriptions (labor function) of the Company's employees;
 - 6.3.4 Approval of participation of the Company's employees in educational programs and activities;
 - 6.3.5 Approve other necessary documents related to current activities of the Company;
 - 6.3.6 Make decisions on participation of the Company in other legal entities, as well as on establishment and liquidation of its branches and representative offices.
- 6.4. The Chairman of the Board shall perform legal representative functions.
- 6.5. The competence of the Legal Representative shall include:
 - 6.5.1 Management of the Company's current activities;
 - 6.5.2 To act within its competence on behalf of the Company without power of attorney, to represent it before all state and local authorities, legal entities and other institutions, including in courts as a plaintiff and defendant;
 - 6.5.3 Ensuring timely and proper execution of decisions made by the General Meeting and other management bodies;
 - 6.5.4 Enter into Civil Law contracts on behalf of the Company, issue powers of attorney (including with the right of trust management to someone else), open any bank accounts of the Company in authorized banks and dispose of accounts related to financial and economic activities;
 - 6.5.5 Determination of the scope of labor functions of the Company's employees, conclusion of labor contracts with them, change of their terms and conditions and termination of labor contracts in accordance with the procedure and on the grounds established by the Legislation;
 - 6.5.6 Take measures of encouragement and disciplinary action against the Company's employees;
 - 6.5.7 Make decisions within its competence and formalize these decisions in writing;
 - 6.5.8 Prepare other necessary documents and proposals related to the Company's activities;
 - 6.5.9 To exercise other powers not referred by the legislation and the Charter of the Company to the competence of the General Meeting and other management bodies.
- 6.6. By decision of the General Meeting, the powers of the Executive Body may be transferred to other individuals or legal entities (External Manager) on the basis of an agreement.

7. COMPANY LIQUIDATION

- 7.1 Liquidation of a Company shall be carried out in the order established by the Civil Code of the Republic of Azerbaijan and other legislative acts.